



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

October 16, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT
COMPROMISE OFFER OF SETTLEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director) or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – Various	\$100,000
(2)	Account Number	LAC+USC – 5198538	\$ 33,333

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offer of settlement for patient accounts (1) – (2) are recommended because the patients are unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department of Health Services (DHS) will be able to receive under the legal settlement involved in these cases.

The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$133,333.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 8, 2002 the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include, the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
DJ:AT:bjs

Attachments (2)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: October 16, 2007

Total Charges	\$530,852	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$530,852	Date of Service	Various
Compromise Amount Offered	\$100,000	% Of Charges	19%
Amount to be Written Off	\$430,852	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$530,852 for medical services rendered. The patient was uncooperative in applying for Medi-Cal and thus, does not qualify for ATP. The patient's third party liability (TPL) claim settled for \$200,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$80,000	\$50,000	25%
Lawyer's Cost	\$3,000	\$3,000	2%
LAC+USC Medical Center	\$530,852	\$100,000	50%
Other Lien Holders			
Patient		\$47,000	23%
Total		\$200,000	100%

* The patient's attorney agreed to reduce his fees from 40% to 25%.

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: October 16, 2007

Total Charges	\$81,004	Account Number	5198538
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$81,004	Date of Service	12/7/06 – 12/19/06
Compromise Amount Offered	\$33,333.33	% Of Charges	41%
Amount to be Written Off	\$47,670.67	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$81,004 for medical services rendered. The patient was uncooperative in providing information for eligibility screening. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$33,333.34	\$33,333.34	33.34%
Lawyer's Cost *			
LAC+USC Medical Center	\$81,004	\$33,333.33	33.33%
Other Lien Holders			
Patient		\$33,333.33	33.33%
Total		\$100,000	100%

* The patient's attorney agreed to waive his cost.

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.